



BERBERICH TRAHAN & CO., P.A.

Certified Public Accountants

JEFFERSON WEST UNIFIED SCHOOL
DISTRICT NO. 340
MERIDEN, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION
REGULATORY BASIS
Year Ended June 30, 2014

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BERBERICH TRAHAN & CO., P.A.
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Jefferson West Unified School District No. 340

Report on the Financial Statement

We have audited the summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Jefferson West Unified School District No. 340 (the District) as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide (KMAAG) as described in Note 2 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 2.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Berberich Trahan & Co., P.A.

October 28, 2014
Topeka, Kansas

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

Year Ended June 30, 2014

	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>FUNDS</u>							
General fund	\$ -	\$ -	\$ 6,037,089	\$ 6,037,089	\$ -	\$ 285,747	\$ 285,747
Supplemental general fund	47,753	335	2,056,701	2,032,055	72,734	231,137	303,871
Special purpose funds:							
Capital outlay	675,000	11,624	223,990	225,578	685,036	28,679	713,715
Driver training	19,733	-	13,146	12,170	20,709	1,890	22,599
Food service	140,000	573	507,743	502,951	145,365	362	145,727
Professional development	35,589	22	-	2,695	32,916	-	32,916
Special education	375,000	-	1,347,583	1,317,185	405,398	-	405,398
Vocational education	-	-	162,000	157,462	4,538	1,008	5,546
KPERs special retirement contribution	-	-	440,130	440,130	-	-	-
At-Risk	527	-	548,260	424,613	124,174	17,623	141,797
Gifts and grants	6,862	-	16,843	17,744	5,961	-	5,961
Federal grant funds	18,360	-	137,223	153,110	2,473	37,778	40,251
Student materials revolving	36,579	-	26,742	11,972	51,349	5,065	56,414
Contingency reserve	438,417	-	-	-	438,417	-	438,417
Textbook rental	165,707	-	58,610	92,333	131,984	983	132,967
Scholarship	250	-	-	-	250	-	250
Other grants	6,474	-	5,947	5,121	7,300	835	8,135
District activity funds	31,901	-	66,488	58,742	39,647	-	39,647
Capital project fund:							
Construction	1,180,593	154	2,754	245,906	937,595	107,913	1,045,508
Bond and interest	345,575	-	528,070	471,435	402,210	-	402,210
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,524,320</u>	<u>\$ 12,708</u>	<u>\$ 12,179,319</u>	<u>\$ 12,208,291</u>	<u>\$ 3,508,056</u>	<u>\$ 719,020</u>	<u>\$ 4,227,076</u>
Composition of cash:							
Checking account							\$ 1,143,817
Savings account							2,010,000
Construction bond account							1,044,948
Activity funds - checking accounts							148,845
Amounts held for payroll deposits							(11,336)
Total Cash							4,336,274
Agency Funds per Schedule 3							(109,198)
Total Reporting Entity (Excluding Agency Funds)							<u>\$ 4,227,076</u>

See accompanying notes to financial statement.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

1 - Municipal Financial Reporting Entity

Jefferson West Unified School District No. 340 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all of the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2014:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources of the District except those required to be accounted for in other funds.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than major capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund is used to account for the accumulation of resources, including tax levies, transfers from other funds and payments of long-term debt.

Capital Project Fund is used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(a) Fund Descriptions (Continued)

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

(b) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain account payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the District to use the regulatory basis of accounting.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special purpose funds (unless specifically exempted by statute) and the bond and interest fund. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no budget amendments for the fiscal year ended June 30, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

A legal operating budget is not required for agency funds, the capital project fund and the following special purpose funds:

Student Materials Revolving, Contingency Reserve, Textbook Rental, certain Grant Funds, District Activity and Scholarship Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(d) Annual, Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual, personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(d) Annual, Personal and Sick Leave Benefits (Continued)

New employees are granted two days of personal leave upon hiring and are granted one day of personal leave per month up to a maximum of ten days. Returning employees are granted the equivalent of ten days of leave beginning on the opening date of the contract. All leave is to be non-cumulative. The District will compensate certified employees for unused leave at twice the daily rate paid to substitutes. Classified employees will be paid at the employees current hourly rate.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

3 - Deposits and Investments (Continued)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments as of June 30, 2014.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2014, the District's deposits were not exposed to custodial credit risk.

4 - In-Substance Receipt in Transit

The District received \$ 546,252 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2014 were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2012A	2-2.50%	5/1/2012	\$ 3,611,000	9/1/2020	\$ 3,611,000	\$ -	\$ (396,000)	\$ 3,215,000	\$ 75,435
Lease purchase agreement - buses	2.250%	11/15/2012	164,406	11/15/2015	109,604	-	(54,802)	54,802	1,210
Qualified School Construction Bonds*	7.000%	3/1/2011	600,000	9/1/2025	600,000	-	-	600,000	9,240
Total contractual indebtedness					4,320,604	-	(450,802)	3,869,802	85,885
Early retirement benefits	n/a	n/a	n/a	n/a	166,411	-	(124,854)	41,557	
Total long-term debt					<u>\$ 4,487,015</u>	<u>\$ -</u>	<u>\$ (575,656)</u>	<u>\$ 3,911,359</u>	<u>\$ 85,885</u>

* See page 13 for additional discussion of the Qualified School Construction Bonds.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-term Debt (Continued)

Maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year						
	2015	2016	2017	2018	2019	2020 - 2023	Total
Principal:							
General obligation bonds	\$ 430,000	\$ 440,000	\$ 450,000	\$ 460,000	\$ 465,000	\$ 970,000	\$ 3,215,000
Early retirement benefits	33,287	8,270	-	-	-	-	41,557
Lease purchase agreement - buses	54,802	-	-	-	-	-	54,802
Total principal	<u>\$ 518,089</u>	<u>\$ 448,270</u>	<u>\$ 450,000</u>	<u>\$ 460,000</u>	<u>\$ 465,000</u>	<u>\$ 970,000</u>	<u>\$ 3,311,359</u>
Interest:							
General obligation bonds	\$ 67,175	\$ 58,475	\$ 49,575	\$ 40,475	\$ 30,063	\$ 24,375	\$ 270,138
Lease purchase agreement - buses	1,210	-	-	-	-	-	1,210
Total interest	<u>\$ 68,385</u>	<u>\$ 58,475</u>	<u>\$ 49,575</u>	<u>\$ 40,475</u>	<u>\$ 30,063</u>	<u>\$ 24,375</u>	<u>\$ 271,348</u>

See page 13 for additional discussion of the Qualified School Construction Bonds.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-term Debt (Continued)

Qualified School Construction Bonds

During the year ended June 30, 2011, the District obtained Qualified School Construction Bonds (QSCB) which can be used to finance new construction, rehabilitation and repairs to existing public school facilities or the acquisition of land. This program is a part of the American Recovery and Reinvestment Act (ARRA), which provides tax credits, in lieu of interest payments, to lenders who issue these bonds. The District is only responsible for the repayment of bond principal, a portion of the interest and certain fees. The District was awarded \$ 600,000 from this program. As of June 30, 2012, the District had expended the entire amount of the proceeds. The District is required to make the following payments:

Year Ended June 30,	Principal	Interest	Qualified School Construction Bond Credit	Trustee Fee	Sinking Fund Deposit	Sinking Fund Disbursement	Total
2015	\$ -	\$ 42,000	\$ (32,760)	\$ 1,500	\$ 34,867	\$ -	\$ 45,607
2016	-	42,000	(32,760)	1,500	34,867	-	45,607
2017	-	42,000	(32,760)	1,500	34,867	-	45,607
2018	-	42,000	(32,760)	1,500	34,867	-	45,607
2019	-	42,000	(32,760)	1,500	34,867	-	45,607
2020-2024	-	210,000	(163,800)	7,500	174,335	-	228,035
2025-2028	600,000	63,000	(49,140)	3,000	69,734	(600,000)	86,594
	<u>\$ 600,000</u>	<u>\$ 483,000</u>	<u>\$ (376,740)</u>	<u>\$ 18,000</u>	<u>\$ 418,404</u>	<u>\$ (600,000)</u>	<u>\$ 542,664</u>

During the year ended June 30, 2014, the District made the required sinking fund deposit of \$ 34,867, interest payment of \$ 42,000, and received a qualified school construction bond credit of \$ 32,760.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

6 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2014. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General Fund	At-Risk	K.S.A. 72-6428	\$ 158,260
General Fund	Capital Outlay	K.S.A. 72-6428	9,745
General Fund	Special Education	K.S.A. 72-6428	989,583
General Fund	Vocational Education	K.S.A. 72-6428	2,000
Supplemental General Fund	At-Risk	K.S.A. 72-6433	390,000
Supplemental General Fund	Food Service	K.S.A. 72-6433	7,094
Supplemental General Fund	Special Education	K.S.A. 72-6433	358,000
Supplemental General Fund	Vocational Education	K.S.A. 72-6433	160,000

7 - Defined Benefit Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions, KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% for the period July 1, 2013 – December 31, 2013 and 5% for the period of January 1, 2014 – June 30, 2014 of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutorily required employer's share.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

8 - Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

9 - Early Retirement Benefits

The District had a plan which covered certified personnel who voluntarily took early retirement prior to June 30, 2010. A certified employee was eligible for early retirement if such employee was a full-time employee, not less than 55 years of age and not more than 64 years of age, and had twenty years or more of service with the District. The benefits from this plan were computed using a formula based on salary and age and are payable monthly. This plan was discontinued and no new certified employees are eligible to receive early retirement benefits going forward.

10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

11 - Statutory Compliance

The District expended monies in excess of the approved budget for the federal grant funds and the gift and grants fund due to federal grant receipts and other contributions in excess of the budgeted receipts.

SUPPLEMENTARY INFORMATION

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS

Year Ended June 30, 2014

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance - Over (Under)
<u>FUNDS</u>						
General fund	\$ 6,030,266	\$ (38,380)	\$ 45,203	\$ 6,037,089	\$ 6,037,089	\$ -
Supplemental general fund	2,041,787	(9,732)	-	2,032,055	2,032,055	-
Special purpose funds:						
Capital outlay	881,000	-	-	881,000	225,578	(655,422)
Driver training	15,300	-	-	15,300	12,170	(3,130)
Food service	527,102	-	-	527,102	502,951	(24,151)
Professional development	35,589	-	-	35,589	2,695	(32,894)
Special education	1,612,600	-	-	1,612,600	1,317,185	(295,415)
Vocational education	159,900	-	-	159,900	157,462	(2,438)
KPERS special retirement contribution	480,498	-	-	480,498	440,130	(40,368)
At-Risk	428,689	-	-	428,689	424,613	(4,076)
Gifts and grants fund	13,336	-	-	13,336	17,744	4,408
Federal grant funds	97,036	-	-	97,036	153,110	56,074
Bond and interest	471,435	-	-	471,435	471,435	-
Totals	<u>\$ 12,794,538</u>	<u>\$ (48,112)</u>	<u>\$ 45,203</u>	<u>\$ 12,791,629</u>	<u>\$ 11,794,217</u>	

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property:			
Tax in process	\$ 34,509	\$ 36,980	\$ 2,471
Current	596,224	614,333	18,109
Delinquent	10,196	8,936	(1,260)
Special education aid	1,026,655	950,328	(76,327)
State equalization aid	4,348,682	4,354,941	6,259
Federal aid	-	26,368	26,368
Miscellaneous reimbursements	-	45,203	45,203
P.L. 382	14,000	-	(14,000)
Total cash receipts	<u>\$ 6,030,266</u>	<u>6,037,089</u>	<u>\$ 6,823</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 3,425,420	3,252,114	(173,306)
Student support services	164,286	175,490	11,204
Instructional support staff	173,450	162,496	(10,954)
General administration	160,505	265,013	104,508
School administration	489,000	474,912	(14,088)
Operations and maintenance	436,950	434,464	(2,486)
Transportation	-	3,055	3,055
Other supplemental services	114,000	109,957	(4,043)
Transfers to other funds	1,066,655	1,159,588	92,933
Budget adjustment to comply with legal max	(38,380)		38,380
Budget adjustment for qualifying budget credits	45,203		(45,203)
Total expenditures, encumbrances and transfers	<u>\$ 6,037,089</u>	<u>6,037,089</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property:			
Tax in process	\$ 44,631	\$ 48,302	\$ 3,671
Current	839,684	891,047	51,363
Delinquent	13,501	12,477	(1,024)
Motor vehicle	148,520	145,983	(2,537)
Recreational vehicle	3,130	3,159	29
State equalization aid	944,567	955,733	11,166
Total cash receipts	<u>\$ 1,994,033</u>	<u>2,056,701</u>	<u>\$ 62,668</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 160,265	172,891	\$ 12,626
Student support services	24,000	24,480	480
Instructional support staff	25,150	33,928	8,778
General administration	55,500	55,696	196
School administration	75,000	18,285	(56,715)
Operations and maintenance	418,421	404,352	(14,069)
Transportation	455,451	407,329	(48,122)
Transfers to other funds	828,000	915,094	87,094
Budget adjustment to comply with legal max	(9,732)		9,732
Total expenditures, encumbrances and transfers	<u>\$ 2,032,055</u>	<u>2,032,055</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		24,646	
Unencumbered cash, beginning		47,753	
Adjustment to unencumbered cash for prior year canceled encumbrances		335	
Unencumbered cash, ending		<u>\$ 72,734</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Taxes:			
Ad valorem property:			
Tax in process	\$ 9,508	\$ 10,288	\$ 780
Current	134,578	137,314	2,736
Delinquent	2,875	2,062	(813)
Motor vehicle	22,606	21,840	(766)
Recreational vehicle	477	479	2
Impact aid	10,000	11,301	1,301
Local revenue	25,000	1,042	(23,958)
Interest on idle funds	5,000	5,718	718
Fees	-	9,000	9,000
Reimbursements	-	15,201	15,201
Transfers from other funds	-	9,745	9,745
Total cash receipts and transfers	<u>\$ 210,044</u>	<u>223,990</u>	<u>\$ 13,946</u>
Expenditures and encumbrances:			
Instruction	\$ 750,000	97,816	\$ (652,184)
Operations and maintenance	75,000	57,693	(17,307)
Transportation	-	-	-
Facility acquisition and construction services	10,000	6,186	(3,814)
Debt service	46,000	63,883	17,883
Total expenditures and encumbrances	<u>\$ 881,000</u>	<u>225,578</u>	<u>\$ (655,422)</u>
Cash receipts and transfers under expenditures and encumbrances		(1,588)	
Unencumbered cash, beginning		675,000	
Adjustment to unencumbered cash for prior year canceled encumbrances		11,624	
Unencumbered cash, ending		<u>\$ 685,036</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	\$ 5,750	\$ 4,590	\$ (1,160)
Local aid	-	8,556	8,556
Total cash receipts	<u>\$ 5,750</u>	<u>13,146</u>	<u>\$ 7,396</u>
Expenditures and encumbrances:			
Instruction	\$ 11,800	9,093	\$ (2,707)
Operations and maintenance	<u>3,500</u>	<u>3,077</u>	<u>(423)</u>
Total expenditures and encumbrances	<u>\$ 15,300</u>	<u>12,170</u>	<u>\$ (3,130)</u>
Cash receipts over expenditures and encumbrances		976	
Unencumbered cash, beginning		<u>19,733</u>	
Unencumbered cash, ending		<u>\$ 20,709</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	\$ 171,366	\$ 204,106	\$ 32,740
State aid	4,032	5,202	1,170
Charges for services	211,704	291,341	79,637
Transfers from other funds	-	7,094	7,094
	<hr/>	<hr/>	<hr/>
Total cash receipts and transfers	\$ 387,102	507,743	\$ 120,641
	<hr/>	<hr/>	<hr/>
Expenditures and encumbrances:			
Operations and maintenance	\$ 25,500	30,044	\$ 4,544
Food service operation	501,602	472,907	(28,695)
	<hr/>	<hr/>	<hr/>
Total expenditures and encumbrances	\$ 527,102	502,951	\$ (24,151)
	<hr/>	<hr/>	<hr/>
Cash receipts and transfers over expenditures and encumbrances		4,792	
Unencumbered cash, beginning		140,000	
Adjustment to unencumbered cash for prior year canceled encumbrances		573	
		<hr/>	
Unencumbered cash, ending		\$ 145,365	
		<hr/>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Expenditures:			
Instructional support staff	\$ 35,589	\$ 2,695	\$ (32,894)
Unencumbered cash, beginning		35,589	
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>22</u>	
Unencumbered cash, ending		<u>\$ 32,916</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Transfers from other funds	\$ 1,304,655	\$ 1,347,583	\$ 42,928
Expenditures:			
Instruction	\$ 1,558,000	1,275,636	\$ (282,364)
Transportation	54,600	41,549	(13,051)
Total expenditures	\$ 1,612,600	1,317,185	\$ (295,415)
Transfers over expenditures		30,398	
Unencumbered cash, beginning		375,000	
Unencumbered cash, ending		\$ 405,398	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

VOCATIONAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfers from other funds	\$ 160,000	\$ 162,000	\$ 2,000
Expenditures and encumbrances:			
Instruction	\$ 159,900	155,439	\$ (4,461)
Instructional support staff	-	2,023	2,023
Total expenditures and encumbrances	\$ 159,900	157,462	\$ (2,438)
Transfers over expenditures and encumbrances		4,538	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ 4,538	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Cash receipts:			
State aid	\$ 480,498	\$ 440,130	\$ (40,368)
Expenditures:			
Instruction	\$ 331,544	303,690	\$ (27,854)
Student support services	14,415	13,204	(1,211)
Instructional support staff	14,414	13,204	(1,210)
General administration	9,610	4,401	(5,209)
School administration	33,635	30,809	(2,826)
Other supplemental services	9,610	13,204	3,594
Operations and maintenance	33,635	30,809	(2,826)
Transportation	19,220	17,605	(1,615)
Food service operation	14,415	13,204	(1,211)
Total expenditures	<u>\$ 480,498</u>	<u>440,130</u>	<u>\$ (40,368)</u>
Cash receipts over expenditures		-	
Unencumbered cash, beginning		<u>-</u>	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

AT-RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
Transfers from other funds	\$ 430,000	\$ 548,260	\$ 118,260
Expenditures and encumbrances:			
Instruction	\$ 296,881	298,034	\$ 1,153
Student support services	131,808	126,579	(5,229)
Total expenditures and encumbrances	\$ 428,689	424,613	\$ (4,076)
Transfers over expenditures and encumbrances		123,647	
Unencumbered cash, beginning		527	
Unencumbered cash, ending		\$ 124,174	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	Budget	Actual	Variance - Over (Under)
	<hr/>	<hr/>	<hr/>
Cash receipts:			
Taxes:			
Ad valorem property:			
Tax in process	\$ 14,821	\$ 16,039	\$ 1,218
Current	236,318	241,125	4,807
Delinquent	4,483	4,444	(39)
Motor vehicle	53,929	53,208	(721)
Recreational vehicle	1,136	1,143	7
Other state aid	212,146	212,111	(35)
	<hr/>	<hr/>	<hr/>
Total cash receipts	<u>\$ 522,833</u>	<u>528,070</u>	<u>\$ 5,237</u>
	<hr/>	<hr/>	<hr/>
Expenditures:			
Principal	\$ 396,000	396,000	\$ -
Interest	75,435	75,435	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 471,435</u>	<u>471,435</u>	<u>\$ -</u>
	<hr/>	<hr/>	<hr/>
Cash receipts over expenditures		56,635	
Unencumbered cash, beginning		<u>345,575</u>	
Unencumbered cash, ending		<u>\$ 402,210</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

GIFTS AND GRANTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Cash receipts:			
Contributions and donations from local sources	<u>\$ -</u>	\$ 16,843	<u>\$ 16,843</u>
Expenditures:			
Instruction	<u>\$ 13,336</u>	<u>17,744</u>	<u>\$ 4,408</u>
Cash receipts under expenditures		(901)	
Unencumbered cash, beginning		<u>6,862</u>	
Unencumbered cash, ending		<u>\$ 5,961</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

FEDERAL GRANT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

	<u>Title I</u>
Cash receipts:	
Federal aid	\$ 59,461
Expenditures and encumbrances:	
Instruction	<u>59,461</u>
Cash receipts under expenditures and encumbrances	-
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>

(Continued)

Title II A Teacher Quality	Safe & Supportive Schools	Total Actual	Total Budget	Variance- Over (Under)
\$ 17,262	\$ 60,500	\$ 137,223	\$ 78,676	\$ 58,547
17,262	76,387	153,110	\$ 97,036	\$ 56,074
-	(15,887)	(15,887)		
-	18,360	18,360		
\$ -	\$ 2,473	\$ 2,473		

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

STUDENT MATERIALS REVOLVING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Cash receipts:	
Charges for services	\$ 26,742
Expenditures and encumbrances:	
Student support services	<u>11,972</u>
Cash receipts over expenditures and encumbrances	14,770
Unencumbered cash, beginning	<u>36,579</u>
Unencumbered cash, ending	<u><u>\$ 51,349</u></u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

CONTINGENCY RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Unencumbered cash, beginning	\$ 438,417
Unencumbered cash, ending	<u>\$ 438,417</u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

TEXTBOOK RENTAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Cash receipts:	
Charges for services	\$ 58,610
Expenditures and encumbrances:	
Instruction	<u>92,333</u>
Cash receipts under expenditures and encumbrances	(33,723)
Unencumbered cash, beginning	<u>165,707</u>
Unencumbered cash, ending	<u><u>\$ 131,984</u></u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

SCHOLARSHIP FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Unencumbered cash, beginning	\$ 250
Unencumbered cash, ending	<u>\$ 250</u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

OTHER GRANTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Cash receipts:	
Other aid	<u>\$ 5,947</u>
Expenditures and encumbrances:	
Instruction	3,482
Instructional support staff	<u>1,639</u>
Total expenditures and encumbrances	<u>5,121</u>
Cash receipts over expenditures and encumbrances	826
Unencumbered cash, beginning	<u>6,474</u>
Unencumbered cash, ending	<u><u>\$ 7,300</u></u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2014

Cash receipts:	
Interest	\$ 2,754
Expenditures and encumbrances:	
Site and building improvements	<u>245,906</u>
Cash receipts under expenditures and encumbrances	(243,152)
Unencumbered cash, beginning	1,180,593
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>154</u>
Unencumbered cash, ending	<u><u>\$ 937,595</u></u>

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

Year Ended June 30, 2014

Fund	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
Elementary school:				
Book fair	\$ 9,597	\$ 6,849	\$ 4,851	\$ 11,595
Booster Fund	2,127	221	761	1,587
Field Trip	2,062	3,637	3,687	2,012
Petty cash	-	1,712	1,712	-
Kindergarten snacks	318	1,222	1,176	364
Yearbook	3,766	3,055	3,044	3,777
Vending machine	304	1,351	1,433	222
Total elementary school	18,174	18,047	16,664	19,557
Middle school:				
Home room	11,872	41,154	41,737	11,289
Petty cash	154	5,877	6,031	-
Total middle school	12,026	47,031	47,768	11,289
High school:				
Yearbook	15,198	5,982	10,243	10,937
Art	990	2,148	1,563	1,575
Band	1,689	201	215	1,675
Calculator/locks	2,942	1,319	1,088	3,173
Cheerleader	4,844	8,621	9,000	4,465
Counselor	55	1,094	1,098	51
Donations/fundraisers	10,205	16,979	16,828	10,356
Drama	650	1,002	1,254	398
FBLA	462	426	674	214
FCA	488	534	483	539
Field trips	-	1,714	1,714	-
FFA	6,426	28,169	23,457	11,138
FCCLA	1,823	19,161	18,920	2,064
Foreign language	685	780	431	1,034
Forensics	478	-	-	478
Highland club	21	-	-	21
KFE	245	-	-	245
Key club	284	-	-	284
Lakeside	1,122	546	23	1,645
Library	615	217	529	303
Magazine	14,557	10,598	11,503	13,652
Musical	5,195	1,253	123	6,325
NHS	145	513	537	121
Pep club	121	-	-	121
Petty cash	-	5,254	5,254	-
Pompon	548	7,837	4,847	3,538
SADD	185	65	116	134
Scholar's bowl	74	15	-	89
Senior class	662	660	705	617
Shop fees	826	1,489	2,159	156
Stuco	487	1,292	1,064	715
Student vending	1,389	4,191	4,459	1,121
VICA	1,168	132	132	1,168
Total high school	74,579	122,192	118,419	78,352
Total student organization funds	\$ 104,779	\$ 187,270	\$ 182,851	\$ 109,198

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

Year Ended June 30, 2014

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:							
Middle school athletics	\$ 2,549	\$ -	\$ 7,530	\$ 8,984	\$ 1,095	\$ -	\$ 1,095
High school athletics	23,958	-	56,603	47,916	32,645	-	32,645
Total gate receipts	26,507	-	64,133	56,900	33,740	-	33,740
School projects:							
Art fund	1,519	-	622	82	2,059	-	2,059
Music Fund	48	-	-	-	48	-	48
Event/Activity	3,827	-	1,733	1,760	3,800	-	3,800
Total school projects	5,394	-	2,355	1,842	5,907	-	5,907
Total district activity funds	\$ 31,901	\$ -	\$ 66,488	\$ 58,742	\$ 39,647	\$ -	\$ 39,647



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLINACE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Jefferson West Unified School District No. 340:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Jefferson West Unified School District No. 340 (the District), which comprises the summary statement of regulatory basis receipts, expenditures and unencumbered cash as of June 30, 2014, and the related notes to the financial statement and have issued our report thereon dated October 28, 2014. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berberich Trahan & Co., P.A.

October 28, 2014
Topeka, Kansas